

FISCAL NOTE
HB 3219 - SB 3213

February 19, 2000

SUMMARY OF BILL: Establishes the *Millennium Trust Fund Act of 2000*. Creates the Millennium Trust Fund Authority to be composed of the governor, secretary of state, comptroller of the treasury, state treasurer and the commissioner of finance and administration to manage assets of the state derived from the settlement of tobacco lawsuits. The trust fund has two accounts:

1. Non-Expendable Account to consist of 90% of all funds received to be invested in any investments authorized for the TCRS. Income earned shall remain in the account. The board shall certify on or before December 1 the amount of earnings available for transfer to the second account. The board shall ensure that the purchasing power of the account be preserved over time.
2. Expendable Account to consist of 10% of all funds received and all funds transferred from the non-expendable account. Funds in the account are available for appropriation by the general assembly for the programs provided within the act, which are:
 - a scholarship program for Tennessee citizens who commit to become public school teachers in Tennessee under such terms and conditions as the board deems appropriate.
 - a loan program for local governments to facilitate the construction or renovation of K-12 schools, provided that such loans shall be given only to those systems where local efforts to fund school programs exceed the systems' ability to pay.
 - a scholarship program for active tobacco farmers and members of their immediate families.
 - programs designed to reduce youth smoking.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Other Fiscal Impact - Restricts the use of tobacco settlement funds, estimated to be in excess of \$200,000,000 in the first year of collection, to 10% of collections and specifies programs for which such funds can be spent

Estimate assumes:

- programs required to be implemented by certain provisions of this bill will be established upon receipt of tobacco settlement funds.
- programs will be funded by revenues from the expendable account upon appropriation by the general assembly.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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